DEFENSE ELECTRONICS
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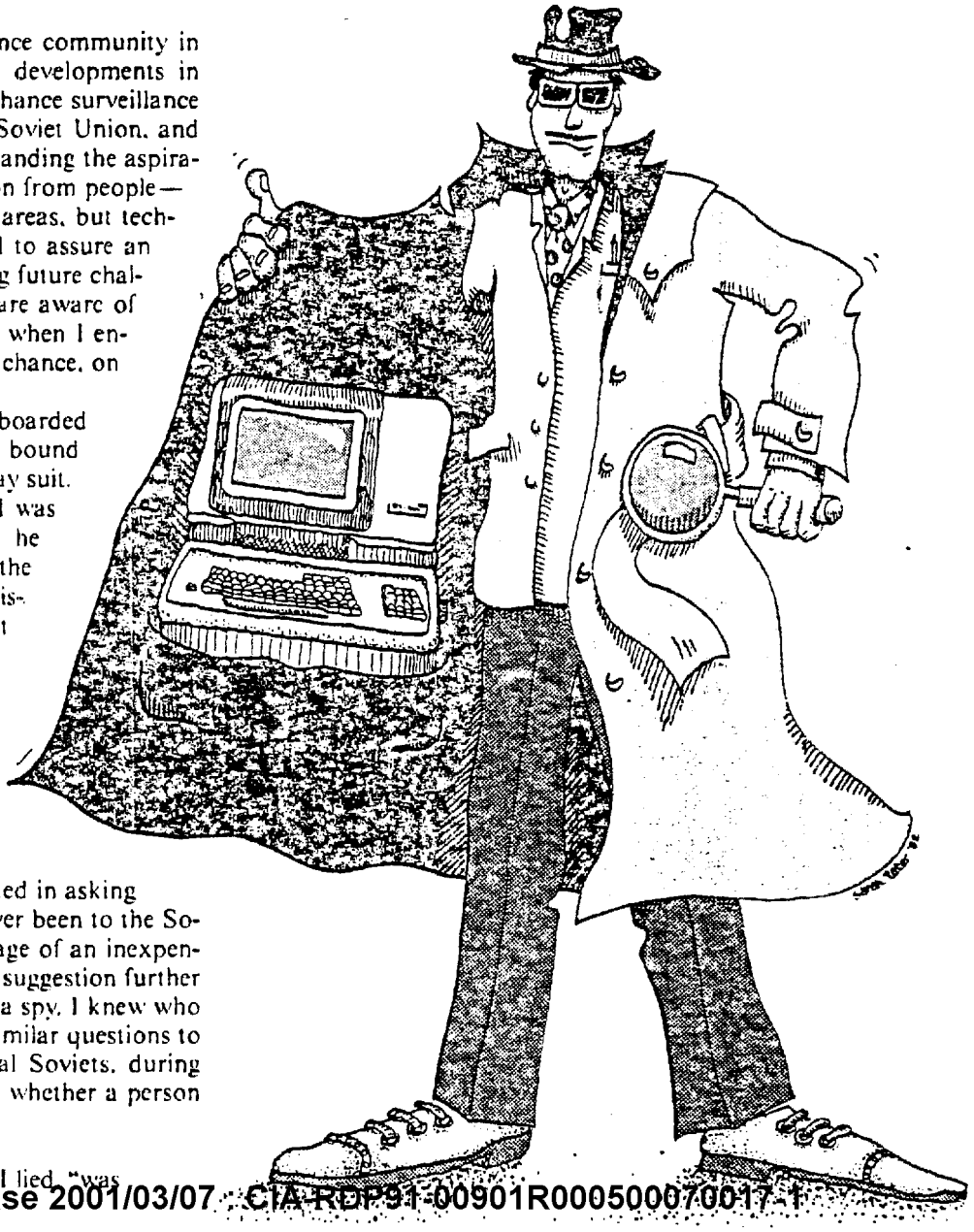
CIA Boosts Intelligence Role Using High-Tech Electronics

With sophisticated technology and better operatives, the Central Intelligence Agency is seeking an expanded role in the U.S. intelligence community, as told by DE's "Intelligence Wire" columnist and former CIA Chief of Latin American Operations.

By David Atlee Phillips



The shape of the United States intelligence community in the next decade will be determined by developments in cloak-and-dagger technology that can enhance surveillance of hostile governments, particularly the Soviet Union, and that can contribute to the task of understanding the aspirations of Third World nations. Information from people—spies—will continue to be vital in some areas, but technological breakthroughs will be essential to assure an adequate American capability for meeting future challenges. Professional intelligence officers are aware of this exigency, which became clear to me when I encountered a Soviet intelligence officer, by chance, on a train.

Shortly after retiring from the CIA, I boarded the Metroliner from Washington, D.C., bound for New York. I sat next to a man in a gray suit. My fellow passenger was talkative, and I was intrigued by his accent; when I asked, he confirmed he was Russian, a diplomat at the Soviet Embassy in Washington. This admission made the odds about fifty-fifty that he was an intelligence operative, probably a member of the KGB. I was amused as the tenor of his questions supported my suspicions. He asked me first about my occupation.

"I was in the Foreign Service," I said, half-truthfully. "Now I'm retired."

I was evasive when the Russian persisted in asking me questions. When I told him I had never been to the Soviet Union he said I should take advantage of an inexpensive charter flight from Washington. This suggestion further mounted my belief that the Russian was a spy. I knew who I was dealing with because I had asked similar questions to a number of foreigners, including several Soviets, during my 25 years of CIA service, to determine whether a person might be useful as an intelligence source.

Just to be sure, I tested the Russian.

"My specialty in the Foreign Service," I lied, "was science and technology."

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ON PAGE 1

THE NATION
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C.I.A. AGENTS NEVER DIE . . .

HIGH TIMES IN THE 'POLITICAL RISK' BUSINESS

PETER H. STONE

Until his retirement in 1980 from the Central Intelligence Agency, Ted Kobrin held a rather unusual position: he was the agency's "outplacement officer." For four years Kobrin was responsible for advising retiring agents on where they might find suitable work. "Everyone got the same treatment," he recalls. "We gave them job leads." Some of the more seasoned hands, however, he directed to the new breed of consulting firms that specialize in "political risk" analysis for American multinational corporations. "The field of political risk," Kobrin says, "is one to which many former agents would turn because of their experience. There are quite a few ex-C.I.A. people doing that sort of thing."

One of Kobrin's main targets for C.I.A. people with the appropriate background was IMAR, the International Management Analysis and Resources Corporation, which describes itself as a consulting firm providing "risk analysis information designed to meet the challenge of political violence and investment uncertainties around the world." IMAR was founded by Eleazer Williams, a former Singapore station chief for the C.I.A., with the help of Brooks McClure, a twenty-five-year veteran of the U.S. Information Agency specializing in counterterrorism, and Robert Shellow, the chief social scientist for a U.S. government study of civil disorders in 1967. (Williams has since left IMAR to work on his own.) IMAR boasts that among its network of some 800 associates are former career Foreign Service officers, C.I.A. security and clandestine field operatives, and specialists in counterterrorism. "When we ring the bell for help we get i
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employing former high-
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Kissinger, who recently
Ray Cline, former dep
C.I.A., who is a risk analyst for a number of large defense contractors.

Quite a few general consulting firms—including Frost and Sullivan and Business International—also do risk analysis these days. And the trade even has its own training school: the School of Foreign Service at Georgetown University in Washington, D.C., offers several courses in political risk, taught by people with backgrounds in intelligence work. Tom Reckford, who served with the C.I.A. for six years and now works for InterMatrix, a risk analysis firm, teaches a course there, and the associate dean, Alan Goodman, was the top aide to Adm. Stansfield Turner at the C.I.A.

Plainly, the risk business is booming. For fees ranging from a few thousand dollars to as much as $250,000, risk analysts provide briefings, reports, seminars and detailed scenarios for action, all designed to calm corporate nerves and aid corporate planning for overseas investment. Even at those prices, there is no shortage of takers. As Jan Dauman, the head of InterMatrix, told a recent conference on "Business Tactics in a Dangerous World," "The crucial point is that the market for these services has not even started to settle down."

The business of risk analysis has emerged in response to changes that have occurred over the last few decades in the international economy. The rapid jump in U.S. foreign investment from about $10 billion in 1950 to more than $200 billion today has been one obvious spur. There has also

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FOR PUBLIC AFFAIRS STAFF

PROGRAM NBC Nightly News STATION WRC-TV
NBC Network

DATE December 13, 1982 7:00 P.M. CITY Washington, D.C.

SUBJECT The Defense Budget

ROGER MUDD: The current debate over the MX missile is only part of the much larger argument revolving around the $233 billion U.S. defense budget. Is cost the best way to measure military parity with the Soviet Union, or is the best way the quality of the weapons?

Here's John Hart's Special Segment.

JOHN HART: Red Square, Moscow. The Red Army shouts hurrah. It is a celebration of power, a demonstration to the world of the growth of Soviet arms, and a justification to the Soviet people for their sacrifices to pay for it.

PRESIDENT RONALD REAGAN: The combination of the Soviets spending more and the United States spending proportionately less changed the military balance and weakened our deterrent.

HART: For President Reagan, what the Pentagon spends is an important measure of our strength or weakness. He campaigned on that belief and went to the White House with it: The Russians are outspending us.

When he came into office there was across the street in the Office of Management and Budget a defense spending analyst named Richard Stubbing who had served three previous Presidents. Nixon, Ford and Carter, he reports, decided on defense strategy first and then asked what it would cost. Stubbing, now at Duke University, says this Administration did it the otehr way around.

RICHARD STUBBING: They decided one evening to settle out at a $30 billion add-on for the defense budget, without strategy, without priorities. And the [illegible]